Novato Charter School

First Interim Report

July 1, 2024 through October 31, 2024

Board Adoption: December 11, 2024

2024-2025 First Interim

Report

Novato Charter School First Interim Narrative & Cash Flow Statement

Below is the financial information and narrative for the First Interim report for Novato Charter School for the fiscal year ending in 2025.

Students: Enrollment, Demographics and Average Daily Attendance

Enrollment for Novato was budgeted at 268. Based on prior year rates, the budget assumed a 97% attendance rate. Enrollment Has remained stable from the beginning of the year through October 31st. This resulted in a projected ADA of 260.12.

Back Office Support

Novato Charter School has transitioned to Charter Impact to provide all business and financial services. While Novato continues to participate in the District's State Teacher Retirement plan and medical/dental plans, all other items including payroll have been moved from the district umbrella to a stand-alone charter school.

Transitional Kindergarten

Beginning in 2025-26, all TK classrooms (including mixed TK/K classes) must be staffed at a 10-to-1 student-to-adult ratio. While it is the intent of the legislature to provide funding to support this staffing ratio, the 10-to-1 requirement is no longer contingent upon the receipt of additional funding.

With the TK ratio set to decrease to a 10-to-1 student-to-adult ratio in FY25-26, the school was able to add back an additional 4 TK seats in 24-25 to its enrollment forecast. The budget was based on this change occurring in 24-25.

Novato anticipates a reduction of TK students in the FY25-26 school year. The anticipated reduction in revenue due to this decrease equals $53,668.

Capital Investment

The school is anticipating the need for a new facility to be built on the current site. There is no specific timeline or projected costs at this time.

Revenues

Per-pupil funding is expected to be around $15,249/ADA at Novato. LCFF state revenue streams provide the largest source of funding at about 80% of Novato's total revenues. All revenues are monitored throughout the year as various funding estimates are refined and recalculated.

State Revenues

State Revenues (State Aid) are estimated based on specific programs as identified below, with the majority of funding dependent upon the annual State budget and the school's student population.

Principal Apportionment

The LCFF FCMAT calculator was used to determine the LCFF projections based on expected student ADA and the expected unduplicated count of students at Novato of 14.57%.

Table A: Projected State Revenues

		2024-25 Forecast	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast
Assumptions					
	LCFF COLA	*0.76%*	*2.73%*	*3.11%*	*3.17%*
	Non-LCFF Revenue COLA	*n/a*	*0.00%*	*0.00%*	*0.00%*
	Expense COLA	*2.00%*	*2.00%*	*2.00%*	*2.00%*
	Enrollment	*269.00*	*266.00*	*266.00*	*266.00*
	Average Daily Attendance	*260.12*	*257.22*	*257.22*	*257.22*
Revenues					
State Aid - Revenue Limit					
8011	LCFF State Aid	$ 1,117,722	$ 1,386,108	$ 1,477,986	$ 1,574,724
8012	Education Protection Account	279,657	51,444	51,444	51,444
8019	State Aid - Prior Year	-	-	-	-
8096	In Lieu of Property Taxes	1,518,668	1,518,668	1,518,668	1,518,668
		2,916,047	2,956,221	3,048,098	3,144,837

Other Local Revenues

Local revenue is forecasted at $339,997 for interest revenue and foundation contributions.

Total Compensation - Salaries and Employee Benefits

Total compensation costs (salary and benefits) are 79% of total expenditures. "Compensation" includes the salary costs of all staff, including those who work full-time and part-time, and includes all staff benefits including social security, Medicare, workers' compensation, and retirement (STRS and/or 403(b)).

Novato's teacher staffing levels are based upon enrollment projections. The ratio of Students to Certificated Teachers to is expected to be at or below 28:1 over the course of the full 5 years of operations except for Transitional Kindergarten classrooms described above.

Cash Flow

Novato has been able to establish a healthy reserve balance with projected year end cash equal to 98 days cash on hand. These reserves help to protect against economic uncertainty and other cash flow timing pitfalls. For instance, based on the timing of LCFF apportionment payments and expenditures, there are five months in FY25 which are budgeted to have negative net cash flow for that month. However, the available cash reserves will be more than adequate to fund all expenses.

Revenue

Since revenue fluctuates and is received from multiple sources, accurate cash projections are vital to the maintenance of a healthy financial position. The greatest cash flow challenge is correctly predicting the flow of federal and state revenue sources. California law specifies the payment schedule for State Aid funds. Although this schedule is subject to legislative and regulatory change, the California Department of Education (CDE) has committed to a 5-5-9 payment schedule. We have used this schedule to project our cash flow position for the next five years for Novato with a one-month adjustment on State Aid funds to account for the time lag in receiving payments.

The district where the school is located pays the Charter School an In-Lieu Property Tax amount per ADA near the end of each month. Economic Protection Account flows quarterly in September, December, March, and June

Expenditures

The most significant part of Novato's cost structure is staff compensation, which is paid evenly throughout the year. Most curriculum costs are front-loaded to the beginning of the school year as students select and procure their curriculum for the coming year.

Fund Balance

The projected fund balance at June 30, 2025 is projected to be $1.4M representing 35.8% of annual expenditures. is expected to be above the CDE-recommended levels in each forecasted year of operations. In a normal budget year, The Government Finance Officers Association (GFOA) recommends reserves, at minimum, equal to two months of average general fund operating expenditures, or about 17%.

Overall Fiscal Condition of the School / Certification

With the steps the school has taken to achieve the budget positions presented in this report, the Novato Charter School is financially secure and on a firm footing. As discussed throughout this report, the school has taken steps to operate within the means granted by federal, state, and local sources of income and achieve a cost structure that is sustainable within these limits. Overall, the school is projecting the ending fund balance for this budget year and the subsequent two years to be above the reserve levels needed for a positive

certification. Forecasts include a 2% increase in overall costs and result in a fund balance of 16.4% as of June 30, 2028. Foundation revenue of $311k for the FY25 school year and beyond will need to be closely monitored along with multi-year projections to ensure fund balance and cash reserves remain sufficient for economic uncertaintly.

CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report Certification

Charter School Name:	**Novato Charter**
CDS #:	**21-65417-6113229**
Charter Approving Entity:	**Novato Unified**
County:	**Marin**
Charter #:	**0089**
Fiscal Year:	**2024/25**

To the entity that approved the charter school:

(x) 2024/25 CHARTER SCHOOL FIRST INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report has been approved, and is hereby filed by the charter school pursuant to *Education Code* Section 47604.33.

Signed: _____ Date: _____
Charter School Official
(Original signature required)

Print Name: Nikki Lloyd Title: Executive Director

To the County Superintendent of Schools:

(x) 2024/25 CHARTER SCHOOL FIRST INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report is hereby filed with the County Superintendent pursuant to *Education Code* Section 47604.33.

Signed: _____ Date: _____
Authorized Representative of
Charter Approving Entity
(Original signature required)

Print Name: _____ Title: _____

For additional information on the First Interim Report, please contact:

For Approving Entity:	For Charter School:
Josh Braff	Annie Gilbert
Name	Name
Asst Supt - Business & Operations	Charter Impact
Title	Title
415-897-4260	888-474-0322
Phone	Phone
jbraff@nusd.org	agilbert@charterimpact.com
E-mail	E-mail

This report has been verified for mathematical accuracy by the County Superintendent of Schools, pursuant to *Education Code* Section 47604.33.

MCOE District Advisor _____ Date _____

CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Summary

Charter School Name: Novato Charter
CDS #: 21-65417-6113229
Charter Approving Entity: Novato Unified
County: Marin
Charter #: 0089
Fiscal Year: 2024/25

Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	1st Interim vs. Adopted Increase, (Decrease) $ Difference (Z) vs. (X)	1st Interim vs. Adopted Increase, (Decrease) % Change (Z) vs. (X)
A. REVENUES						
1. LCFF/Revenue Limit Sources						
State Aid - Current Year	8011	1,097,219	207,774	1,068,267	(28,952)	-2.64%
Education Protection Account State Aid - Current Year	8012	140,814	43,731	301,891	161,077	114.39%
State Aid - Prior Years	8019	-	-	-	-	(100%)
Charter Schools Funding in lieu of Property Taxes	8096	1,677,435	-	1,518,668	(158,767)	-9.46%
Total, LCFF/Revenue Limit Sources		2,915,468	251,505	2,888,826	(26,642)	-0.91%
2. Federal Revenues						
No Child Left Behind (Include ARRA)	8290	-	-	-	-	
Special Education - Federal	8181, 8182	40,274	-	33,816	(6,458)	-16.04%
Child Nutrition - Federal	8220	-	-	-	-	
Other Federal Revenues (Include ARRA)	8110, 8260-8299	-	-	-	-	
Total, Federal Revenues		40,274	-	33,816	(6,458)	-16.04%
3. Other State Revenues						
Special Education - State	StateRevSE	233,015	42,545	233,997	982	0.42%
All Other State Revenues	StateRevAO	141,567	12,008	136,360	(5,207)	-3.68%
Total, Other State Revenues		374,582	54,553	370,357	(4,225)	-1.13%
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	336,940	255,902	339,997	3,057	0.91%
Total, Local Revenues		336,940	255,902	339,997	3,057	0.91%
5. TOTAL REVENUES		3,667,264	561,960	3,632,995	(34,269)	-0.93%
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	1,229,613	412,637	1,353,055	123,442	10.04%
Certificated Pupil Support Salaries	1200	136,478	33,702	132,959	(3,519)	-2.58%
Certificated Supervisors' and Administrators' Salaries	1300	354,972	85,453	263,594	(91,379)	-25.74%
Other Certificated Salaries	1900	-	-	-	-	
Total, Certificated Salaries		1,721,063	531,792	1,749,608	28,545	1.66%
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	268,315	67,171	255,606	(12,709)	-4.74%
Non-certificated Support Salaries	2200	-	-	-	-	(100%)
Non-certificated Supervisors' and Administrators' Sal.	2300	-	24,199	24,199	24,199	New
Clerical and Office Salaries	2400	227,562	52,472	216,949	(10,613)	-4.66%
Other Non-certificated Salaries	2900	-	-	-	-	
Total, Non-certificated Salaries		495,877	143,842	496,754	877	0.18%
3. Employee Benefits						
STRS	3101-3102	299,422	87,048	336,065	36,643	12.24%
PERS	3201-3202	155,370	44,577	131,862	(23,508)	-15.13%
OASDI / Medicare / Alternative	3301-3302	68,836	20,486	63,333	(5,503)	-7.99%
Health and Welfare Benefits	3401-3402	247,575	20,932	248,200	625	0.25%
Unemployment Insurance	3501-3502	1,108	336	143	(965)	-87.12%
Workers' Compensation Insurance	3601-3602	21,061	8,077	25,574	4,513	21.43%
Total, Employee Benefits		793,372	181,456	805,177	11,805	1.49%

CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Summary

Charter School Name: Novato Charter
CDS #: 21-65417-6113229
Charter Approving Entity: Novato Unified
County: Marin
Charter #: 0089
Fiscal Year: 2024/25

Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	1st Interim vs. Adopted Increase, (Decrease) $ Difference (Z) vs. (X)	1st Interim vs. Adopted Increase, (Decrease) % Change (Z) vs. (X)
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	-	4,033	4,908	4,908	New
Books and Other Reference Materials	4200	3,500	-	3,500	-	0.00%
Materials and Supplies	4300	69,280	31,593	74,317	5,037	7.27%
Noncapitalized Equipment	4400	24,470	-	8,540	(15,930)	-65.10%
Food	4700	-	35	35	35	New
Total, Books and Supplies		97,250	35,661	91,300	(5,950)	-6.12%
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	-	37,126	84,216	84,216	New
Travel and Conferences	5200	32,300	1,082	1,082	(31,218)	-96.65%
Dues and Memberships	5300	3,808	2,700	3,808	-	0.00%
Insurance	5400	46,891	45,661	46,891	-	0.00%
Operations and Housekeeping Services	5500	108,856	27,222	103,559	(5,297)	-4.87%
Rentals, Leases, Repairs, and Noncap. Improvements	5600	52,186	38,328	56,187	4,001	7.67%
Professional/Consulting Services and Operating Expend.	5800	382,531	119,149	333,046	(49,485)	-12.94%
Communications	5900	37,953	3,382	37,181	(772)	-2.03%
Total, Services and Other Operating Expenditures		664,525	274,649	665,970	1,445	0.22%
6. Capital Outlay (Objects 6100-6170, 6200-6500 modified accrual basis only)						
Depreciation Expense (for accrual basis only)	*6900*	42,753	19,256	47,758	5,005	11.71%
Total, Capital Outlay		42,753	19,256	47,758	5,005	11.71%
7. Other Outgo						
All Other Transfers	7281-7299	43,732	-	-	(43,732)	(100%)
Total, Other Outgo		43,732	-	-	(43,732)	(100%)
8. TOTAL EXPENDITURES		3,858,572	1,186,657	3,856,567	(2,005)	-0.05%
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		(191,308)	(624,697)	(223,572)	(32,264)	> 200%
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		(191,308)	(624,697)	(223,572)	(32,264)	> 200%
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	1,540,141	1,587,466	1,587,466	47,325	3.07%
b. Adjustments to Beginning Balance	9793, 9795	-	(11,316)	(11,316)	(11,316)	New
c. Adjusted Beginning Balance		1,540,141	1,576,150	1,576,150		
2. Ending Fund Balance, June 30 (E + F.1.c.)		1,348,833	951,454	1,352,579		
Components of Ending Fund Balance :						
a. Net Investment in Capital Assets	9791	609,920	652,399	623,897	13,977	2.29%
b. Restricted	9797	-	-	-	-	
c. Unrestricted Net Position	9790	738,913	299,055	728,682	(10,231)	-1.38%

CHARTER SCHOOL
MULTI-YEAR PROJECTION - ALTERNATIVE FORM
First Interim Report - MYP

Charter School Name: Novato Charter
CDS #: 21-65417-6113229
Charter Approving Entity: Novato Unified
County: Marin
Charter #: 0089
Fiscal Year: 2024/25

This charter school uses the following basis of accounting:

[X] **Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)

Description	Object Code	Totals for 2024/25	Totals for 2025/26	Totals for 2026/27
A. REVENUES				
1. LCFF/Revenue Limit Sources				
State Aid - Current Year	8011	1,068,267	1,396,853	1,489,068
Education Protection Account State Aid - Current Year	8012	301,891	52,026	52,026
State Aid - Prior Years	8019	-	-	-
Charter Schools Funding in lieu of Property Taxes	8096	1,518,668	1,518,668	1,518,668
Total, LCFF/Revenue Limit Sources		2,888,826	2,967,547	3,059,762
2. Federal Revenues				
Special Education - Federal	8181, 8182	33,816	33,817	33,817
Other Federal Revenues	8110, 8260-8299			
Total, Federal Revenues		33,816	33,817	33,817
3. Other State Revenues				
Special Education - State	StateRevSE	233,997	226,209	226,209
All Other State Revenues	StateRevAO	136,360	214,713	184,166
Total, Other State Revenues		370,357	440,922	410,375
4. Other Local Revenues				
All Other Local Revenues	LocalRevAO	339,997	339,997	339,997
Total, Local Revenues		339,997	339,997	339,997
5. TOTAL REVENUES		3,632,995	3,782,283	3,843,950
B. EXPENDITURES				
1. Certificated Salaries				
Certificated Teachers' Salaries	1100	1,353,055	1,261,041	1,286,262
Certificated Pupil Support Salaries	1200	132,959	88,141	89,904
Certificated Supervisors' and Administrators' Salaries	1300	263,594	373,047	380,508
Other Certificated Salaries	1900	-	-	-
Total, Certificated Salaries		1,749,607	1,722,229	1,756,674
2. Non-certificated Salaries				
Non-certificated Instructional Aides' Salaries	2100	255,606	254,007	259,087
Non-certificated Support Salaries	2200	-	-	-
Non-certificated Supervisors' and Administrators' Sal.	2300	24,199	-	-
Clerical and Office Salaries	2400	216,949	245,971	250,890
Other Non-certificated Salaries	2900	-		
Total, Non-certificated Salaries		496,754	499,978	509,978
3. Employee Benefits				
STRS	3101-3102	336,065	328,946	335,525
PERS	3201-3202	131,862	142,494	147,384
OASDI / Medicare / Alternative	3301-3302	30,223	30,999	31,619
Health and Welfare Benefits	3401-3402	33,110	32,222	32,866
Unemployment Insurance	3501-3502	248,200	382,500	390,150
Workers' Compensation Insurance	3601-3602	143	136	136
Other Employee Benefits	3901-3902	-		
Total, Employee Benefits		805,177	942,185	963,066

CHARTER SCHOOL
MULTI-YEAR PROJECTION - ALTERNATIVE FORM
First Interim Report - MYP

Description	Object Code	Totals for 2024/25	Totals for 2025/26	Totals for 2026/27
4. Books and Supplies				
Approved Textbooks and Core Curricula Materials	4100	4,908	5,006	5,106
Books and Other Reference Materials	4200	3,500	3,570	3,641
Materials and Supplies	4300	74,317	75,804	77,320
Noncapitalized Equipment	4400	8,540	8,711	8,885
Food	4700	35	36	37
Total, Books and Supplies		91,300	93,126	94,989
5. Services and Other Operating Expenditures				
Subagreements for Services	5100	84,216	85,900	87,618
Travel and Conferences	5200	1,082	1,104	1,126
Dues and Memberships	5300	3,808	3,884	3,962
Insurance	5400	46,891	47,829	48,785
Operations and Housekeeping Services	5500	103,559	105,630	107,743
Rentals, Leases, Repairs, and Noncap. Improvements	5600	56,187	57,311	58,457
Professional/Consulting Services and Operating Expend.	5800	333,046	339,707	346,501
Communications	5900	37,181	37,925	38,683
Total, Services and Other Operating Expenditures		665,970	679,290	692,876
6. Capital Outlay (Obj. 6100-6170, 6200-6500 for mod. accr. basis or				
Depreciation Expense (for accrual basis only)	*6900*	47,758	48,713	49,687
Total, Capital Outlay		47,758	48,713	49,687
7. Other Outgo				
All Other Transfers	7280-7299	-	-	-
Total, Other Outgo		-	-	-
8. TOTAL EXPENDITURES		3,856,566	3,985,522	4,067,269
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		(223,571)	(203,238)	(223,319)
D. OTHER FINANCING SOURCES / USES				
1. Other Sources	8930-8979	-		
2. Less: Other Uses	7630-7699	-		
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	-		
4. TOTAL OTHER FINANCING SOURCES / USES		-	-	-
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		(223,571)	(203,238)	(223,319)
F. FUND BALANCE, RESERVES				
1. Beginning Fund Balance				
a. As of July 1	9791	1,587,466	1,352,579	1,149,341
b. Adjustments to Beginning Balance	9793, 9795	(11,316)		
c. Adjusted Beginning Balance		1,576,150	1,352,579	1,149,341
2. Ending Fund Balance, June 30 (E + F.1.c.)		1,352,579	1,149,341	926,022
Components of Ending Fund Balance:				
a. Net Investment in Capital Assets	9796	623,897	575,184	525,496
b Restricted	9797	-	-	-
c. Unrestricted Net Position	9790	728,682	574,157	400,525